

The Providence City Council Education Subcommittee reviewed the Achievement First (“AF”) application to open two mayoral academy charter schools in Providence to educate children from four host communities (Cranston, North Providence, Providence and Warwick). In addition to reviewing the application itself, the Subcommittee received a presentation on November 29 from representatives of Rhode Island Mayoral Academies and AF and a cost projection from the Providence School Department on December 6.

In this Report, the Subcommittee will analyze some of the proposed schools’ education program and fiscal impacts on the Providence Public Schools. Based on this analysis we recommend that the Board of Regents accept the Achievement First proposal with a modification, namely that the Board of Regents’ consideration of the second elementary school be postponed for a period of three additional years. We make this recommendation for three reasons, namely:

- * The additional time will allow Achievement First to adapt its urban model to the combined urban/suburban culture required by a Mayoral Academy;
- * The additional time will help Providence adapt better to a significant loss of financial resources and possible seniority-based teacher assignments; and
- * The additional time can help expand the base of support for the school.

A. Analysis of proposal

AF brings to Rhode Island an extensive track record based on its operation of a growing network of nine schools in three Connecticut communities (Bridgeport, Hartford and New Haven) and eleven schools in Brooklyn, New York. While there are some variations among the school, AF emphasizes in its application and in its presentation to the City Council that all of its¹ schools conform to a fundamental education model which it plans to replicate in Rhode Island.

1. Focus on the disadvantaged

AF’s mission is to provide a high quality education to all, with a focus on the disadvantaged. AF notes in its application that African-American and Latino students combined account for 99% of its enrollment, and 76% of its students qualify for free or reduced lunch. The demographics of the host communities for the schools is different, as shown here:

¹ At the hearing, the AF representative stated that the combined African American and Latino enrollment at the New York schools is 96%.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
District	African Amer.	Latino	(1)+(2)	White	Asian	Other	(5)+(6) +(7)	FRPL Eligible
New Haven	55%	31%	86%	12%	1%	2%	14%	75%+
Bridgeport	42%	46%	88%	8%	3%	1%	12%	95%
Hartford	41%	52%	93%	6%	1%		7%	92%
New York	31%	40%	71%	14%	14%	1%	29%	76%
AF	99%		99%	1%			1%	76%

In short, the typical host community includes a student population that includes at least 10% from outside the African-American and Latino communities; however, the Achievement First enrollment is composed of 99% of students from these two groups (or 97% from New York). AF does not screen for race when administering the student lottery, and suggested that these differences were the result of the admissions preference for children eligible for free and reduced lunch. This, however, does not appear to be a complete explanation, as the population of free and reduced lunch students at AF schools is actually equal to or lower than the host communities in Connecticut and New York.

It will be interesting to see how AF adapts its model to the demographics of the four Rhode Island communities that propose to host the AF School here. More specifically, those communities have enrollments of African-American, Latino and free/reduced price lunch students as follows:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
District	Enrollment	% of Total	FRPL Count	% Total FRPL	Af-Am %	Af-Am Ct. (2)*(6)	Latino %	Latino Ct. (2)*(8)	(7)+(9)	% Total
Cranston	10,109	22.1%	3,842	13.9%	5%	505	13%	1,314	1,820	8.5%
North Providence	3,274	7.1%	1,126	4.1%	6%	196	12%	393	589	2.8%
Providence	22,592	49.3%	19,672	71.1%	22%	4,970	59%	13,329	18,300	85.9%
Warwick	9,829	21.5%	3,047	11.0%	2%	197	4%	393	590	2.8%
Total	45,804	100.0%	27,687	100.1%		5,869		15,429	21,298	100.0%

Sources: Current Enrollment - RIDE email
FRPL Population: 2011 RIDE Funding Formula Run
Demographic composition: 2009 Information Works!

As these figures indicate, Providence children comprise 49% of the total enrollment; however, if one focuses on the population of children eligible for free and reduced lunch, Providence's children are 71.1% of the total. Also, Providence's children include more than 85% of the total number of Latino and African-American children combined. In short, it appears likely that AF will include a larger number of Providence children in its school beyond its mathematical share of total enrollment.²

2. Scale of the Proposed Schools, and Plans for Expansion

In the application, AF seeks a charter to open two elementary schools. The first school is planned to be for grades K-5, while the second is for grades K-4. The application calls for the first school to open in the fall of 2013 with 88 children in kindergarten, and with 88 children per grade thereafter. The second school would open one year later with 88 children in kindergarten. When fully enrolled, the two schools will have 492 and 428 students, respectively, for a total of 920 students.

We found it curious that AF would propose two elementary schools with different grade configurations. In fact, AF elementary schools typically teach for grades K-4, which middle school teaching children in grades 5-8. AF explained the reason for this difference by stating that AF's basic educational is a K-12 system, and that both schools will expand to support this model. At 88 students per grades K-12 for each of two schools, this suggests an ultimate expansion plan of more than 2,000 students. AF also stated that its goal is to retain the largest possible number of each entering kindergarten class of children, with transfers into the upper grades likely to be only a small portion of each year's new enrollment. This approach can help to instill a consistent culture; also, it should facilitate instruction for children who do not speak English at home, as they will learn English at a very young age when they are most receptive. In this way, AF is relieved of the challenges that traditional school districts face with children who come to this country and to the public schools as teenagers with little or no working knowledge of the English language. On the other hand, the self-contained AF model does reduce some of the social diversity its children will receive – in the Connecticut and New York models, at least, it appears as if the students will have few if any classmates outside of the African-American and Latino communities.

3. School Program

In addition to its focused demographic, AF schools have a focused program. According to its sample schedule, the elementary school day at an AF school begins at 7:15 and ends at 4:00, a total of eight hours and 45 minutes. In contrast, in Providence, the elementary school day currently is six hours and five minutes, with a plan to extend the day by five minutes during each

² The Blackstone Valley Prep mayoral academy allocates an equal number seats to each of the four host communities, which may be required under one reading of the mayoral academy law, R.I.G.L. §16-77.4-1. Under this scenario, Providence would receive 25% of the seats in the new school.

of the next two school years. The Providence school year is 180 days and the teacher work year is 181 days; in contrast, the AF school year is between 190 and 195 days. The gift of time that AF students receive is extraordinarily valuable. For example, because RIDE requires five and a half hours of instruction time (and lunch is typically 30 minutes), Providence elementary schools face significant challenges in trying to schedule recess. For over a decade, Providence has tried to gain a longer school day through collective bargaining; however, the price asked for this extra time in the form of “overtime” pay has been unaffordable. In contrast, the AF teachers accept a longer school day as part of their basic working conditions.

According to the sample schedule submitted with its application, AF elementary school students focus the bulk of this extra time on mastering the core subjects: literacy and mathematics. More specifically, each day AF students have 75 minutes of reading before breakfast. Before lunch the AF children receive six hours and fifteen minutes of instruction, including three and a quarter hours of literacy, and after lunch they receive an hour and a half of mathematics instruction plus a quarter-hour of physical education before going home at 4:00 in the afternoon. They also receive, on average, 30 minutes a night of homework. The AF representative stated that this can be a rigorous schedule for children to adjust to, as some fall asleep in the middle of the day as the school year begins; however, AF is successful in instilling the necessary stamina and work ethic in its children to make best use of this extended time. With that said, we suspect there may be some self-selection among AF’s students, as it is possible that not every parent will embrace a program this demanding.

4. Financial Impact

In assessing the financial impact of the proposed AF school on the Providence School Department, it is fairly simple to project the cost per student, which is approximately \$4,000-\$5,000 per student local money plus \$9,750 per student in State aid in 2018 after a phase-in related to the funding formula. On the other hand, it is more difficult to estimate the number of students who will be affected, based on two issues. The first variable is what proportion of the children will come from Providence. As noted above, Providence hosts 49% of the total number of students, but 71% of the children in poverty. As a result, the City’s share of the 920 children expected to enroll can vary from 450 to 650.

The second variable is how the AF students from Providence affect the district’s total enrollment. If all of the students come from the current enrollment, Providence will lose both its local share per student and its State share per student. If the student would have gone to private school, then Providence loses the local portion, but its State aid is not reduced. If the student is part of an overall increase in population in Providence, then in theory Providence suffers no net loss as it would have had to pay both portions to educate the child in the District. We asked the Providence Plan if there were any clear secular trends in overall student population in Providence over the next few years. We learned that there is no clear basis to predict either a significant increase or decrease in student population. Therefore, we will limit the variables to differing percentages of Providence children in the mix of the four districts, varying from 49% to 71%.

Fiscal impact assuming 49.3% Providence enrollment

	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Providence							formula transitioned
Achievement First Impact:							
# of Students (49.3% from Providence)	0	0	87	216	298	374	454
assumes district's FRPL % of 87%							
Projected State \$ Change	\$0	\$0	(\$169,720)	(\$526,716)	(\$968,897)	(\$1,823,998)	(\$4,428,316)
phased in over the formula transition							
*Title I			(50,895)	(126,360)	(174,330)	(218,790)	(265,590)
Projected Local \$ Change	\$0	\$0	(\$363,138)	(\$1,027,728)	(\$1,591,916)	(\$1,997,908)	(\$2,425,268)
**Projected Staffing Reductions			\$204,000	\$408,000	\$612,000	\$816,000	\$1,020,000
Projected Total \$ Change	\$0	\$0	(\$532,858)	(\$1,554,444)	(\$2,560,813)	(\$3,821,906)	(\$6,099,174)

Fiscal impact assuming 71.1% Providence Enrollment

	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Providence							formula transitioned
Achievement First Impact:							
# of Students (71.1% from Providence)	0	0	125	311	429	539	654
assumes district's FRPL % of 87%							
Projected State \$ Change	\$0	\$0	(\$244,115)	(\$759,393)	(\$1,396,266)	(\$2,628,401)	(\$6,380,286)
phased in over the formula transition							
*Title I			(50,895)	(126,360)	(174,330)	(218,790)	(265,590)
Projected Local \$ Change	\$0	\$0	(\$522,318)	(\$1,481,727)	(\$2,294,090)	(\$2,879,007)	(\$3,494,309)
**Projected Staffing Reductions			\$204,000	\$408,000	\$612,000	\$816,000	\$1,020,000
Projected Total \$ Change	\$0	\$0	(\$766,433)	(\$2,241,120)	(\$3,690,355)	(\$5,507,407)	(\$9,120,186)

Based on these two projections, it appears that the impact of the opening of the Achievement First charter schools ultimately result in a decline in enrollment in the Providence Public Schools of between 450 and 650, resulting in a fiscal impact of between \$6.1 million and \$9.1 million, even after realizing a savings of approximately \$1 million from a reduction in the number of teachers.

In short, under this scenario, we would expect Providence to have to close an elementary school as a result of the opening of the proposed pair of Mayoral academies. This would be particularly difficult after the experience the District had last Spring of closing four schools and repurposing two others. In fact, however, it is not likely that closing an elementary school would fully address this gap. More specifically, the Providence Public School's elementary schools currently run at a cost of \$10,000 to \$11,000 per student, while the fiscal impact of the Achievement First proposal, once fully implemented in 2018, will be more than \$14,000 per student. The difference pays for such things as the Providence School Department's central office, transportation services and other fixed costs that the District must incur regardless of whether the children in question attend a District school or the Achievement First charter school. These costs will be spread over a narrower base, thereby reducing the average amount of resources available to the remaining children in the Providence Public Schools.

The School Department and the State note that this period also will see an increase in State aid of \$36 million per year from the implementation of the funding formula; however, this money has several prior claims on it. For starters, Providence has a new obligation to pay between \$2-\$3 million to state charter schools (such as the MET school) under the new funding formula. Also, the \$6 million increases are on a base of around \$200, which barely will keep up with the cost of living. There is the added cost of providing additional resources to transform the District's low-performing schools. In short, there is no "pot of gold" to fund AF; instead, the program at the proposed scale will raise resource issues that will compromise the quality of the education received by the children who remain in the Providence Public Schools.

5. Staffing Impacts

If Providence lost 500 or more elementary school students to AF, it is likely that it would have to reduce the number of teachers. Since these students would effectively leave the Providence Public Schools for a new district, these reductions could be viewed as resulting from a decline in enrollment. This could trigger R.I.G.L. §16-13-6, which requires teacher layoffs strictly on the basis of seniority. Unless and until this law is changed, the result could be a severe setback for the District's efforts to hire, retain and assign teachers in the best interest of the children.

B. Recommendations

We recommend that Achievement First move forward with its first elementary school on the schedule it proposes. We believe AF has made its case that there is a need for a school of this kind. Also, AF has a record of helping host districts learn from the AF model. While this model school may not be suitable for every child in Providence (we do not believe that any single model

is), an AF school could provide the Providence Public Schools with some helpful ideas, supported by actual practice, in how to raise student achievement and narrow the achievement gap. It also could provide parents with choice, and an incentive for the Providence Public School to try new approaches, such as addressing the chronic problem of a six-hour school day, which has eluded solution through repeated rounds of contract negotiations.

More generally, an AF school in Providence could be a spur to parental choice, competition and reform. We saw a hint of this during our review of the AF proposal. On October 20 the heads of the Providence Teachers Union and Local 1033 sent a letter to the Providence City Council members asking us to postpone consideration of the AF proposal so that we could review a “comprehensive plan” they were developing to improve the education of all of the children in Providence. See Exhibit 1 to Subcommittee record (October 20, 2011 letter from Providence Teachers Union). Through this letter, the Providence Teachers Union acknowledged that a mayoral academy could provide an incentive to reform. Despite repeated requests, the unions did not produce any plan to the City Council; however, we believe that opening a new school of this kind will provide parents with a choice, and thereby encourage stakeholders to consider changes in their approach to win the acceptance and support of parents with a choice.

While supporting the opening of the first AF school on schedule, we also recommend postponing the opening of the second school for an additional three years. In its testimony before the Subcommittee, Achievement First representatives acknowledged that the two schools are free-standing operations with regard to personnel; therefore, such a change would appear to be feasible for the operator. Through the opening of that school and the first few years of its operation, Achievement First can adapt its basic urban-core model to the different demographics that exist in the four host communities here. AF can decide whether it wishes to retain its commitment to the high quotient of disadvantaged children (in which case the balance among the four host communities will skew heavily towards Providence) or whether it wishes to adapt its school model to a student body that has more of a middle-class feel. We predict that a different demographic may support adjustments in the school’s programs and policies, and perhaps in its curriculum. As a result, there may be good pedagogical reasons for allowing AF to adapt before opening the second school.

We also believe there are good financial reasons for spreading out the opening of the second school. More specifically, the current proposal could reduce Providence’s elementary school student population by between 450 and 650 children over the school’s first five years of existence, while a decision to postpone the opening of the second school by three years would mitigate that impact substantially. During that time, the AF school can win the support of parents and provide the Providence Public Schools with a better opportunity to prepare for the changes that the opening of a second school might bring.

Finally, a successful opening of a first AF school may expand the base of the support for a second one.